



June 21, 2024

Company name: RAKUS Co., Ltd.

Stock exchange listing: Tokyo PRIME

Stock code: 3923 URL <https://www.rakus.co.jp/en/>

Representative: Representative Director and President, Takanori Nakamura

Inquiries: Director Takahiro Miyauchi

Notice Regarding Disposal of Treasury Stock as Restricted Stock

RAKUS Co., Ltd. (hereinafter the "Company") hereby announces that the Board of Directors has decided to dispose treasury stock (hereinafter referred to as the "Disposal"). The details are as follows.

1. Overview of the Disposal

(1) Disposal date	July 19, 2024
(2) Class and number of shares to be disposed	3,254 shares of common stock of the Company
(3) Disposal price	1,936 yen per share
(4) Total value of disposed	6,299,744 yen
(5) Scheduled subscriber	1 Executive Officer 3,254 shares

2. Purpose and reason of the Disposal

At the Board of Directors meeting held on May 14, 2024, the Company resolved to introduce a new compensation plan for its directors (excluding outside directors) (hereinafter referred to as "the Plan") as a means of providing incentives for the sustained enhancement of corporate value and further promoting shared value with shareholders.

In addition, the Company has decided to grant restricted stocks to our executive officers as well, aiming to provide incentives for the continuous enhancement of our corporate value and to further promote value sharing with our shareholders.

Today, at the Board of Directors meeting, we resolved to provide a total monetary claim of 6,299,744 yen to one of our executive officers (hereinafter referred to as the "Eligible Officer"). Considering the purpose of this Plan, the position and responsibilities of the Eligible Officer, and other relevant factors, this amount will be contributed in kind, and 3,254 shares of our common stock will be disposed of as restricted stock. Please note that this time, no allocation is made to directors.

<Overview of Allocation Agreement>

The Company and the Eligible Officer will individually execute the Allocation Agreement accompanied by the Disposal, and the overview of the Allocation Agreement is as follows.

(1) Restriction period

The Eligible Officer must not transfer, create a security interest on, or otherwise dispose of the Company's common stock allocated under this allotment agreement (hereinafter referred to as "the Allocated Shares") during the period from July 19, 2024 (the payment date), until the day they retire as employees (including executive officers) of the Company. However, if they retire within three months after the end of the fiscal year in which the shares were allocated, the restriction period will last until three months after the end of that fiscal year.

(2) Conditions for cancelling transfer restriction

If the Eligible Officer continuously holds the position of employee (including executive officers) of the Company during the period from the day of the Company's Annual General Meeting of Shareholders immediately preceding the payment date to the day of the Company's Annual General Meeting of Shareholders held the following year (hereinafter referred to as the "Service Period"), the transfer restrictions on all Allocated Shares will be lifted immediately after the end of the transfer restriction period.

However, if the Eligible Officer retires as an employee (including executive officers) during the Service Period due to death or other reasons deemed legitimate by the Board of Directors, the transfer restrictions on the Allocated Shares will be lifted immediately after such retirement. The number of Allocated Shares for which the transfer restrictions will be lifted will be calculated by multiplying the total number of Allocated Shares by a fraction, the numerator of which is the number of months from the month following the start of the Service Period to the month of resignation or retirement, and the denominator of which is 12 (with the maximum value of the fraction being 1). Any fractional shares resulting from this calculation will be rounded down to the nearest whole share.

(3) Acquisition of Allocated Shares by the Company without compensation

The Company will automatically acquire, without compensation, any Allocated Shares for which the transfer restrictions have not been lifted at the end of the transfer restriction period.

(4) Management of shares

During the restriction period, the Allocated Shares will be managed in a dedicated account of the restricted stock opened by the Eligible Officer in Daiwa Securities Co. Ltd. so that the Eligible Officer cannot transfer, create security interest on, or otherwise dispose the Allocated Shares during the restriction period.

(5) Measures to be taken upon organizational restructuring, etc.

In the event that, during the transfer restriction period, a matter related to an organizational restructuring—such as a merger agreement in which the Company becomes the disappearing company, a share exchange agreement in which the Company becomes a wholly-owned subsidiary, or a share transfer plan—is approved at the Company's General Meeting of Shareholders (or, in cases where the approval of the General Meeting of Shareholders is not required for such organizational restructuring, at the Company's Board of Directors meeting), the transfer restrictions on the Allocated Shares will be lifted immediately prior to the effective date of such organizational restructuring. The number of Allocated Shares for which the transfer restrictions will be lifted will be calculated by multiplying the number of Allocated Shares held at that time by a fraction, the numerator of which is the number of months from the month following the start of the Service Period to the month of approval of the organizational restructuring, and the denominator of which is 12 (with the maximum value of the fraction being 1).

Any fractional shares resulting from this calculation will be rounded down to the nearest whole share.

3. Basis for calculating the payment amount and its specific details

The Disposal of treasury stock will be carried out using the monetary claims granted to the intended recipients as the assets to be contributed. To ensure the payment amount is free from arbitrariness, it has been set at 1,936 yen, which is the closing price of our common stock on the Tokyo Stock Exchange on June 20, 2024, the business day preceding the Board of Directors resolution.

This price is the market value immediately preceding the date of the resolution of the Board of Directors and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price and does not fall within a price that is excessively advantageous for the Eligible Officer.

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